

**BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION**

IN RE: Elvin R. & Augusta C. Stacey )  
Dist. 15, Map 95LB, Group B, Control Map 95LB, ) Blount County  
Parcel 39.00, S.I. 000 )  
Residential Property )  
Tax Year 2006 )

**INITIAL DECISION AND ORDER**

**Statement of the Case**

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$29,700	\$27,500	\$57,200	\$14,300

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on November 13, 2006 in Maryville, Tennessee. The taxpayer, Elvin Stacey, represented himself. The assessor of property, Mike Morton, represented himself and was assisted by Barry Mathis. The intervenor, Division of Property Assessments, was represented by staff attorney John Allen.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Subject property consists of a 70' x 133' lot improved with a dwelling located in the Big Valley Campground on Old Tuckaleechee Road in Townsend, Tennessee. The dwelling is composed of essentially two parts. The original base unit consists of a recreational vehicle the taxpayer purchased in 1997 for \$15,000. The remainder of the dwelling includes various modifications such as the addition of a porch and deck.

The Big Valley Campground sits on a tourist route to the Smoky Mountains National Park. It has a paved privately maintained road as well as a private sewer system. Lot owners have access to cable television, electricity, water and telephone service. The campground receives police and fire protection typical for traditional neighborhoods in Townsend.

The taxpayer contended that subject property should be valued at \$44,900. In support of this position, the taxpayer basically argued that subject structure should not be appraised like a traditional residence because it consists largely of a recreational vehicle capable of being moved. The taxpayer asserted subject property should not be appraised for over \$44,900 because he unsuccessfully offered it for sale last year at \$44,900.

The assessor contended that subject property should be valued at \$56,300. In support of this position, the testimony and written analysis of Mr. Mathis was offered into evidence.



Mr. Mathis essentially analyzed five comparable sales and concluded they support a market value indication of \$56,300. Mr. Mathis' written analysis included an adjustment grid showing the various adjustments made in reaching his conclusion of value.

The Division of Property Assessments intervened in this matter because it believed Mr. Stacey was contending the structure was exempt from taxation. The administrative judge finds Mr. Stacey did not pursue such an argument at the hearing and did not contest that the improvements constitute an assessable "movable structure" pursuant to Tenn. Code Ann. § 67-5-802.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$56,300 in accordance with Mr. Mathis' analysis.

Since the taxpayer is appealing from the determination of the Blount County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge finds that the fair market value of subject property as of January 1, 2006 constitutes the relevant issue. The administrative judge finds that comparable sales normally represent the best evidence of the market value of residential property. As stated by the Assessment Appeals Commission in *E.B. Kissell, Jr.* (Shelby County, Tax Years 1991 and 1992):

The best evidence of the present value of a residential property is generally sales of properties comparable to the subject, comparable in features relevant to value. Perfect comparability is not required, but relevant differences should be explained and accounted for by reasonable adjustments. If evidence of a sale is presented without the required analysis of comparability, it is difficult or impossible for us to use the sale as an indicator of value. . . .

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The administrative judge finds that the comparable sales introduced by Mr. Mathis should receive greatest weight. The administrative judge finds the comparables established that although the recreational vehicle portion of the structures can be moved, the market does not value them as equivalent to "stand alone" recreational vehicles or mobile homes.

The administrative judge finds that the parties were in agreement on land values in subject development. Thus, improvement values constitute the only variable to be



determined. The administrative judge finds Mr. Mathis' testimony indicated that similar structures incorporating newer model recreational vehicles are selling for significantly more than the five comparables used in his analysis.

The administrative judge finds that the taxpayer did not formally list his property for sale with a realtor. The administrative judge finds the Assessment Appeals Commission ruled in *Leo Dickerson (Airways Apartments)* (Madison Co., Tax Year 1989) that evidence of an unanswered asking price does not constitute a sale comparison approach. Accordingly, the Commission rejected the taxpayer's argument that his property should be appraised at no more than the price he offered it for sale at.

#### ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2006:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$29,700	\$26,600	\$56,300	\$14,075

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

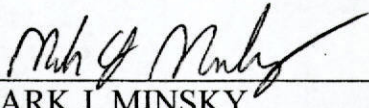
Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.



This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 29th day of November, 2006.

  
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MARK J. MINSKY  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Elvin R. Stacey  
John C.E. Allen, Esq.  
Mike Morton, Assessor of Property